



## State of South Carolina Office of the Governor

NIKKI R. HALEY  
GOVERNOR

OFFICE OF EXECUTIVE  
POLICY AND PROGRAMS

July 2, 2014

Daniel Driggers  
Chief Financial Officer  
Post Office Box 192  
Columbia, South Carolina 29202

Dear Mr. Driggers:

Thank you for your response letter on behalf of Richland County regarding the recently issued Programmatic Review and Financial Audit of the Victim Assistance fund. We have reviewed your response and additional documentation relating to our calculation of the total General Fund transfer for FY09-FY13. As a result of our review, we noticed that the county's response letter dated June 17, 2014 stated Richland County has a Miscellaneous Revenue account that is considered a General Fund account used to subsidize the Victim Assistance Fines, Fees, and Assessment fund's shortfall. As the auditor conducted the audit and prepared the report after the review of various documents, this was counted as Victim Assistance Revenue for FY12-FY13. In an effort to address your concerns outlined in your letter, email dated June 17, 2014 and our meeting on July 2, 2014, please see the following explanations.

First, you are correct in stating SOVA included the Miscellaneous Revenue as part of the overall victim assistance revenue retained during the audit scope. However, this revenue was not included in the total revenue collected for the entire scope of the audit which was FY09-FY13 (5 years). This revenue was combined with the victim assistance funds because prior to and during the audit site visit, county officials did not disclose this account as a transfer from the General Fund to subsidize any shortfalls of the victim assistance funds. Please be advised that even from the onset of the audit, a number of county officials were asked multiple times to identify General Fund transfers; however, the Miscellaneous Revenue was never identified or mentioned by any county officials until after the audit was issued. Also as noted, the Richland County Comprehensive Annual Financial Reports identified a separate General Fund transfer for each year. Therefore, as the auditor reviewed the Richland County Comprehensive Annual Financial Reports, it appeared to be inconsistent reporting practices used. Also, the funds to the auditor appeared to have been additional funding from another source. There was no way to determine where these funds originated from.

Secondly, please note during the phone conversation with Mrs. Copeland after the audit was issued, county officials were asked to provide detailed documentation outlining the county's policy, procedure and or other documentation as it relates to where the Miscellaneous Revenue

account is derived from. County officials did send documentation after our request; however, the county will be required to revise the documentation and be prepared to submit updated information identifying where the funds originated from during the 90 Day Follow up audit. Again, because there was a line item identified already as the General Fund transfers and the Miscellaneous Revenue was not identified as being funds from the General Fund at any point during the audit, the auditor would not have known that the Miscellaneous Revenue was additional General Fund Revenue.

Thirdly, after reviewing the Richland County Comprehensive Annual Financial Reports, it appears you misstated the total amount of Miscellaneous Revenue included in the initial scope of the audit review. As a result of the document reviewed, the county made changes in the financial reporting procedures and this revenue account did not appear on the Richland County Schedule of Fines and Assessments (used to review fund revenue and expenditures) until the FY12 and FY13 Audits. Therefore, prior to FY12 the Miscellaneous Revenue line item was not included in the overall Victim Assistance Fund Revenue by the auditor as you stated in your letter. Consequently, the total reimbursement overview (outlined in your letter) is incorrect. The additional credit would be a total of **\$459,048** per the Miscellaneous Revenue included in the initial scope of the audit review for two years and not the five years. Therefore, we are unable to include funding from any source that was not included in the initial reporting process and within the timeframe used by the auditor for the scope of the audit.

As we understand your desire to have the audit amended, the State Office of Victim Assistance does not amend audit reports once they have been issued to an entity. However, all of your concerns will be addressed in detail during the 90 Day Follow up audit scheduled to be completed in September 2014. Prior to the follow up audit, SOVA will once again make a pre-requested documents list and ask for proof of the origination of the Miscellaneous Revenue account along with any written policies and procedures relating to these funds. Also, the other recommendations outlined in the initial audit will be reviewed as well to determine if corrective action was taken. Please be advised that all SOVA audits and follow-up reports are public information. Therefore, once this letter is issued, the report will be posted on the SOVA website at [www.sova.sc.gov](http://www.sova.sc.gov) with your response letter and SOVA's reply separately identified.

Should you have any further questions or concerns, please feel free to contact me or Ms. Richelle A. Copeland at (803)734-1900.

Sincerely,



Larry Barker, Ph.D.  
Director

cc: Sheriff Leon Lott  
Tony McDonald  
T. Dwight Hanna

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